

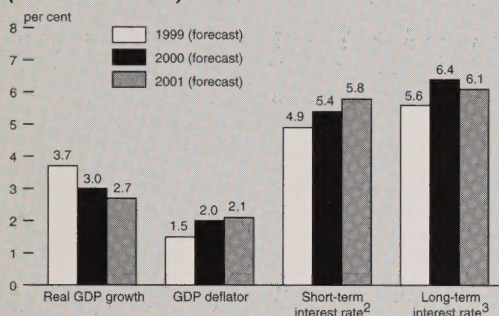
# Government of Canada Securities

A Publication of the Department of Finance Canada

December 1999

## Canadian Economy

### OECD economic forecast for Canada (November 1999<sup>1</sup>)



<sup>1</sup>Data shown are preliminary. Final data will be available in mid-December 1999.

<sup>2</sup>90-day finance company paper.

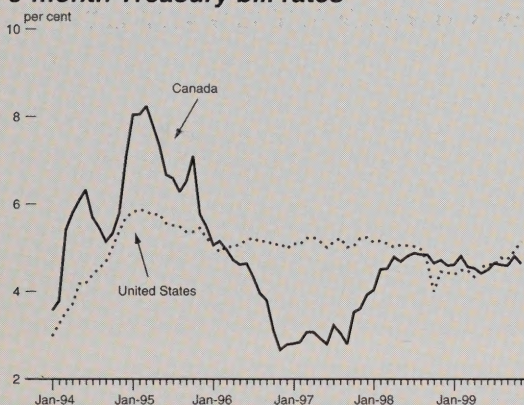
<sup>3</sup>Over 10-year federal government bonds.

Source: OECD.

### Consumer price index



### 3-month Treasury bill rates



### 10-year government bond rates



### Upcoming economic data releases of interest

#### January

December Labour Force Survey  
(January 7)

December CPI  
(January 21)

#### February

January Labour Force Survey  
(February 4)

January CPI  
(February 24)

1999 Q4 National Accounts  
(February 28)

#### March

February Labour Force Survey  
(March 10)

February CPI  
(March 15)





# Government of Canada Securities

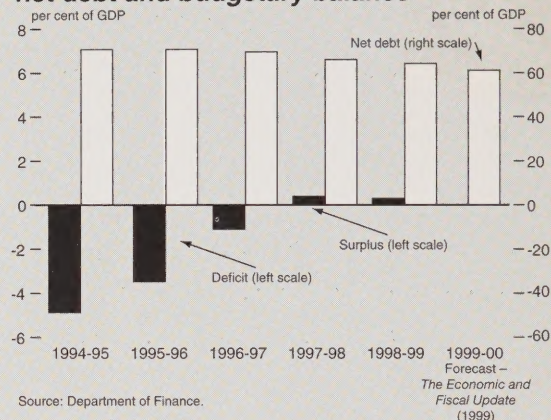
## Canadian Economy

### Selected Canadian economic statistics

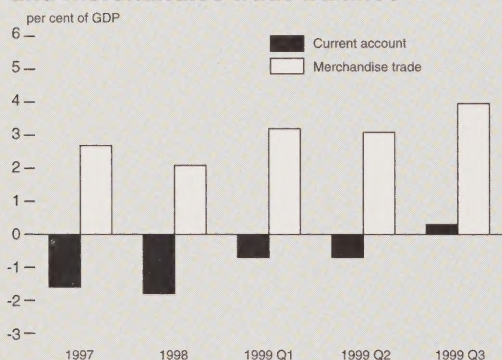
	1997	1998	1999		
			Q1	Q2	Q3
<b>Annualized growth rates</b>					
Real Gross Domestic Product	4.0	3.1	4.2	3.3	4.7
GDP Excluding Inventories	3.2	3.6	5.9	-0.3	7.1
Final Domestic Demand	4.9	2.7	4.7	6.9	3.4
Employment growth	1.9	2.8	3.7	-0.2	1.5
<b>Other</b>					
Unemployment rate	9.2	8.3	7.8	8.0	7.6
Current account balance (per cent of GDP)	-1.6	-1.8	-0.7	-0.7	0.3

Source: Statistics Canada.

### Government of Canada net debt and budgetary balance



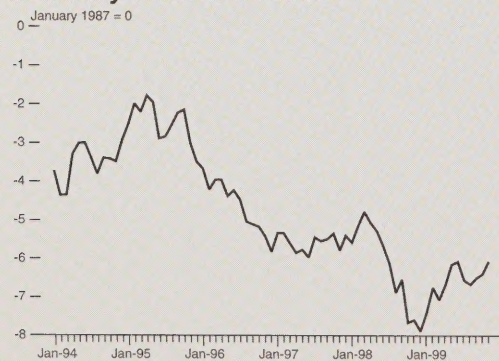
### Canada's current account balance and merchandise trade balance



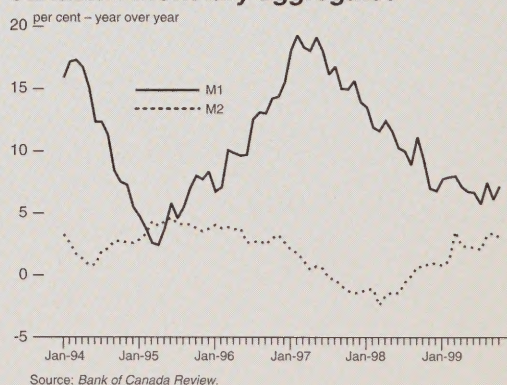
### Exchange rate



### Monetary conditions index



### Canadian monetary aggregates

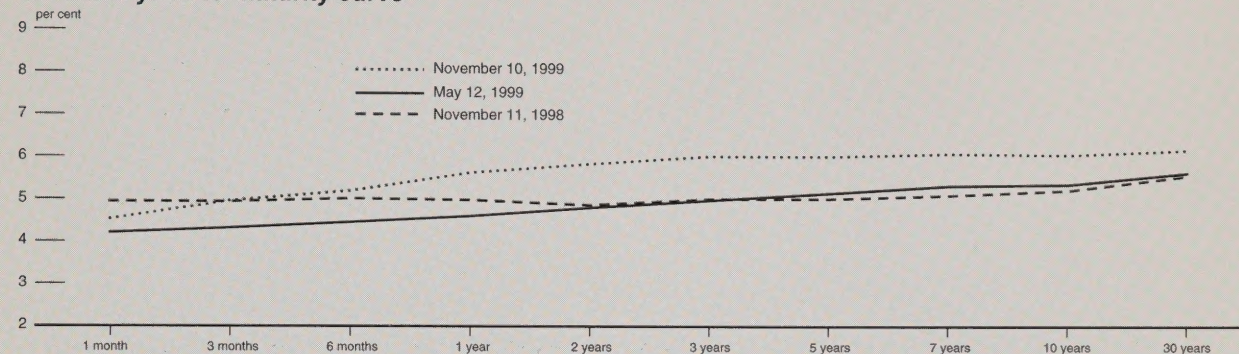




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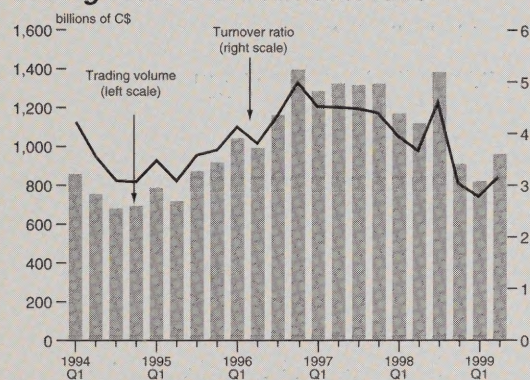
## Secondary Market

**Canadian yield-to-maturity curve**



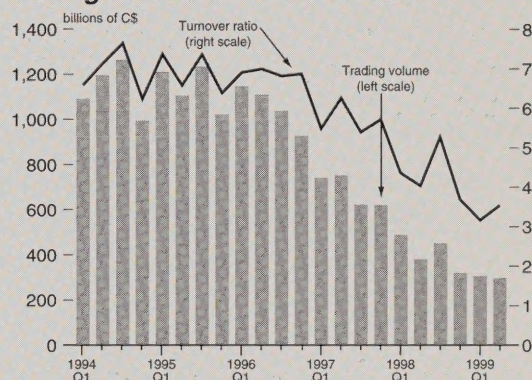
Source: Bank of Canada Review.

**Government of Canada bonds trading volume and turnover ratio**



Trading volume is total trading volume in each quarter.  
 Turnover ratio = total trading volume in each quarter/stock.  
 Source: Bank of Canada.

**Government of Canada Treasury bills trading volume and turnover ratio**



Trading volume is total trading volume in each quarter.  
 Turnover ratio = total trading volume in each quarter/stock.  
 Source: Bank of Canada.

### Government securities distributors

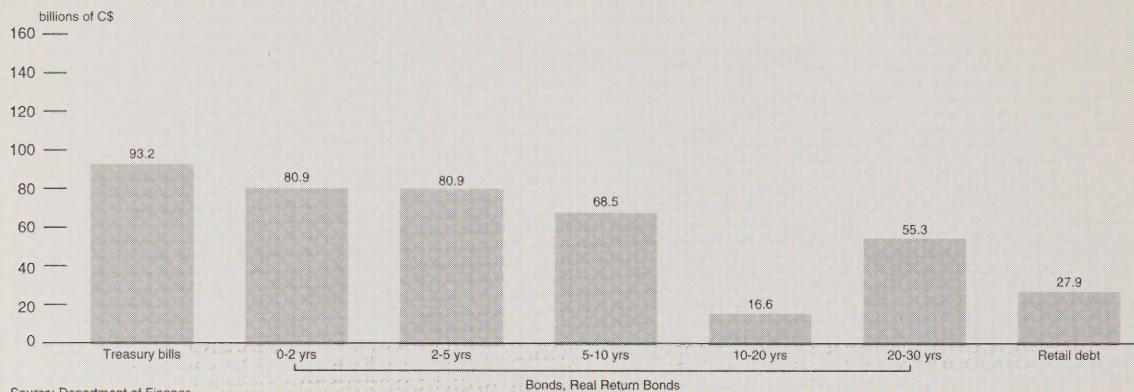
- Bank of Montreal (Treasury bills only)
- Beacon Securities Limited
- BLC Securities Inc.
- La Caisse centrale Desjardins du Québec
- Canaccord Capital Corp.
- Canadian Imperial Bank of Commerce (Treasury bills only)
- Casgrain & Company Limited
- CIBC World Markets Inc. (marketable bonds only)
- CT Securities Inc.
- CTI Capital Inc.
- Deutsche Bank Securities Limited
- Golden Capital Securities Limited
- Goldman Sachs Canada
- HSBC Bank Canada
- Merrill Lynch Canada Inc.
- J.P. Morgan Securities Canada Inc.
- Morgan Stanley Canada Limited
- National Bank Financial Inc.
- Nesbitt Burns Inc. (marketable bonds only)
- Ocean Securities Inc.
- Odium Brown Limited
- RBC Dominion Securities Inc.
- Salomon Smith Barney Canada Inc.
- ScotiaMcLeod Inc.
- Société Générale Valeurs Mobilières Inc.
- Tassé & Associates, Limited
- The Toronto-Dominion Bank



# Government of Canada Securities

## Primary Market

**Outstanding Government of Canada Treasury bills, bonds (by term maturity) and retail debt  
(as of November 12, 1999)**



### Recent Government of Canada bond auction results

Auction date	Term	Maturity date	Coupon rate	Issue amount	Average price	Average yield	Auction coverage	Tail <sup>1</sup>
	(years)		(%)	(millions of dollars)		(%)		(basis points)
Nov. 24, 1999	2	June 1, 2002	5.75	3,600	99.594	5.927	2.58	0.5
Nov. 10, 1999	5	Sept. 1, 2005	6	2,800	99.779	6.048	2.6	0.3
Oct. 27, 1999	10	June 1, 2010	5.5	2,600	93.288	6.382	2.3	0.8
Oct. 13, 1999	30	June 1, 2029	5.75	1,900	94.465	6.158	2.1	2.7
Sept. 29, 1999	5	Sept. 1, 2004	5	2,800	97.267	5.643	2.48	1.2

<sup>1</sup> Tail is defined as the high accepted yield minus the average yield.

Source: Department of Finance.

### Forthcoming Government of Canada bond auctions

Type of issue	Auction date (2000)	Further details of issue (2000)	Dated and delivered (2000)	Amount maturing
				(millions of dollars)
10-year auction	Jan. 26	Jan. 20	Feb. 1	5,500
5-year auction	Feb. 9	Feb. 3	Feb. 15	-
RRB auction <sup>1</sup>	Mar. 1	Feb. 24	Mar. 6	6,500
2-year auction	Mar. 8	Mar. 2	Mar. 15	-
10-year auction	Mar. 15	Mar. 9	Mar. 20	8,050

<sup>1</sup> Single-price auction format.

Note: Two repurchase operations of Government of Canada marketable bonds are planned under the pilot bond repurchase program.

One repurchase operation will take place in the 10-year sector and a second in the 2-year sector.

Further details will be released on January 20 and March 2, respectively.



# Government of Canada Securities

## Primary Market

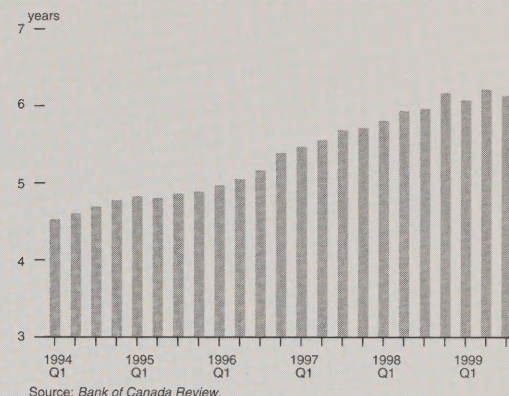
### Government of Canada bond market benchmarks (November 10, 1999)

Term	Maturity	Coupon	Amount outstanding	Yield Nov. 10/99
		(%)	(millions of dollars)	(%)
<b>Fixed coupon</b>				
2-year	Dec. 1, 2001	5.25	7,000	5.78
5-year	Sept. 1, 2004	5.00	10,850	5.97
10-year	June 1, 2009	5.50	9,400	6.02
30-year	June 1, 2027	8.00	9,600	6.13
<b>Real return</b>				
30-year	Dec. 1, 2026	4.25	5,250	4.04

The normal bid-ask spread on these bonds is 5 cents.

Source: Department of Finance.

### Average term to maturity of Government of Canada marketable debt



### Forthcoming Government of Canada marketable bond maturities

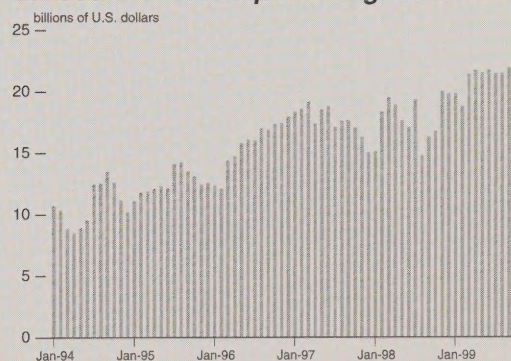
January-March 2000	April-June 2000	July-September 2000	October-December 2000
(millions of dollars)			
20,050	1,575	11,875	7,500

### Outstanding Government of Canada foreign-currency debt (as of November 30, 1999)

	(US\$ millions)
Canada Bills	3,719
Canada Notes	735
Outstanding under EMTN program	3,054
6½% US\$ bonds maturing May 30, 2000	1,500
6½% US\$ bonds maturing May 30, 2001	1,000
6½% US\$ bonds maturing July 15, 2002	1,000
5% US\$ bonds maturing February 19, 2003	2,000
6% US\$ bonds maturing November 30, 2004	2,000
6% US\$ bonds maturing July 21, 2005	1,500
6% US\$ bonds maturing August 28, 2006	1,000
6% NZ\$ bonds maturing October 3, 2007	319
4½% DM bonds maturing July 7, 2008	2,200
5½% US\$ bonds maturing November 5, 2008	2,500

Source: Department of Finance.

### Canada's level of liquid foreign reserves

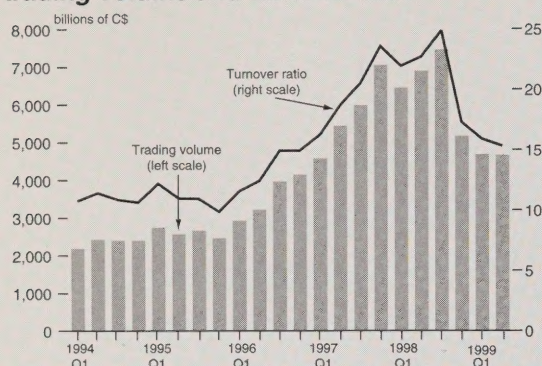




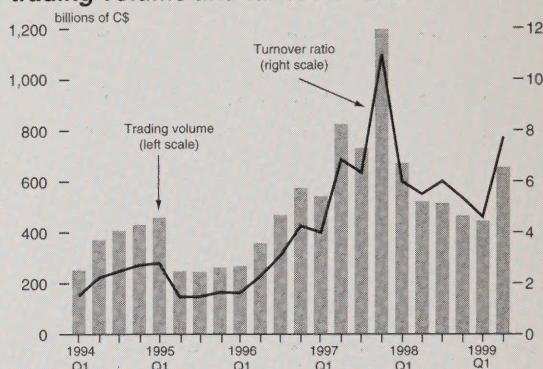
# Government of Canada Securities

## Secondary Market

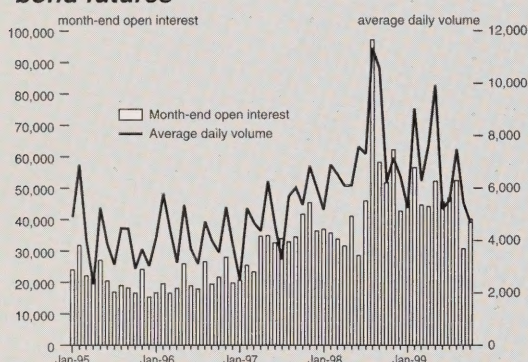
**Government of Canada bond repos trading volume and turnover ratio**



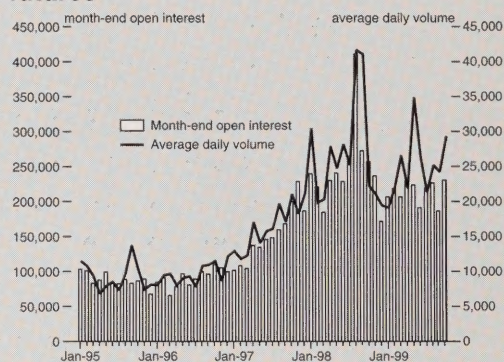
**Government of Canada Treasury bill repos trading volume and turnover ratio**



**10-year Government of Canada bond futures**



**3-month bankers acceptance futures**



### Government of Canada long-term credit ratings

	Standard & Poor's Current	Moody's Investors Service Current	Canadian Bond Rating Service Current	Dominion Bond Rating Service Current
<b>Domestic debt</b>	<b>AAA</b>	<b>Aa1</b>	<b>AA+</b>	<b>AAA</b>
- Trend	Stable	-	Stable	Stable
<b>Foreign debt</b>	<b>AA+</b>	<b>Aa2</b>	<b>AA+</b>	<b>AA(high)</b>
- Trend	Stable	-	Stable	Stable

This publication is also available on the Internet at <http://www.fin.gc.ca/>.

Except as noted, the information in *Government of Canada Securities* is based upon data available as of December 8, 1999.

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